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Bandhan Emerging Businesses Fund[§]

(Small Cap Fund – An open ended equity scheme predominantly investing in small cap stocks)

(Formerly known as IDFC Emerging Businesses Fund)

- Fund focuses on building a diversified portfolio within the small cap segment.
- Portfolio will contain buy and hold strategies as well as opportunistic picks in the cyclical space.
- Fund may also look to participate in new businesses via IPOs.

FUND PHILOSOPHY*

The fund aims to identify and invest in companies with steady growth prospects, operating in industries with a stable growth visibility over the medium term – 2-4 years. The fund would be willing to pay higher valuation for companies with distinct segment leadership advantages and/or for companies operating in segments which are witnessing a boost of growth due to change in industry dynamics; regulatory changes / geographical shifts. While not eschewing completely, the fund aims to limit exposure to “deep” cyclicals and focus more on companies and sectors with secular growth outlook. Hence, the valuation metrics of the fund – P/E; EV/EBIDTA; EV/Sales may appear to be more expensive than the benchmark.

Consumer facing rather than B to B is another focus area of the fund. The fund aims to ensure participation in non-small caps as a measure of higher liquidity as well addressability for investing in sectors where size brings noticeable advantage – BFSI, for example. The fund aims to hold cash levels of upto 10% across time periods, both as a measure of liquidity as well as to capitalize on opportunistic investing. Lastly, rather than try to outperform the benchmark on the upside, the fund would aim to conserve capital by limiting downside during periods of drawdowns, a dominant (and painful) characteristic of small cap investing.

OUTLOOK

How it went:

Global equities rebound, in September, across geographies relative to the previous month (MSCI World 1% MoM / +11.6% CYTD). India delivered 0.9% MoM returns (+5.3% FYTD), outperforming the Emerging markets, which declined -0.9% MoM (+2.5% FYTD). All three indices – Large, Mid and Smallcap – were positive for September 2023. However, the markets felt nervous given the macro headwinds – high oil prices, global dollar appreciation, long-term term yields in the US, and forthcoming state elections.

How do we look ahead:

Given the high fiscal deficit, the supply of US bonds is proving to be challenging as two big buyers in recent times – the Fed and foreign countries (China, Saudi, etc) are not adding incrementally. On the other hand, the domestic economy indicators continue to display reasonable momentum with capex and affluent consumption being the relatively strong pockets. Our portfolios are broadly positioned to ride the domestic economy, but we need to monitor the risks of adverse global developments on the domestic economy along with political developments ahead.

[§]With effect from 13th March 2023, the name of “IDFC Emerging Businesses Fund” has changed to “Bandhan Emerging Businesses Fund”

FUND FEATURES:

(Data as on 30th September'23)

Category: Small Cap Fund

Monthly Avg AUM: ₹ 2,093.13 Crores

Inception Date: 25th February 2020

Fund Manager^^: Mr. Manish Gunwani (w.e.f. 28 January, 2023) & Mr. Kirthi Jain (w.e.f. 05 June, 2023).

Benchmark: S&P BSE 250 SmallCapTRI

Other Parameter:

Beta: 0.85

R Squared: 0.87

Standard Deviation (Annualized): 16.67%

Exit Load:

1% if redeemed/switched out within 1 year from the date of allotment

Minimum Investment Amount: ₹ 1,000 and any amount thereafter

SIP Dates : (Monthly/Quarterly) Investor may choose any day of the month except 29th, 30th and 31st as the date of installment.

Options Available: The Scheme offer IDCW® Option & Growth Option. IDCW® Option under each Plan further offers of choice of Payout & Sweep facilities.

SIP (Minimum Amount): ₹ 100/- and in multiples of Rs.1 thereafter

^^Ms. Nishita Shah will be managing overseas investment portion of the scheme.

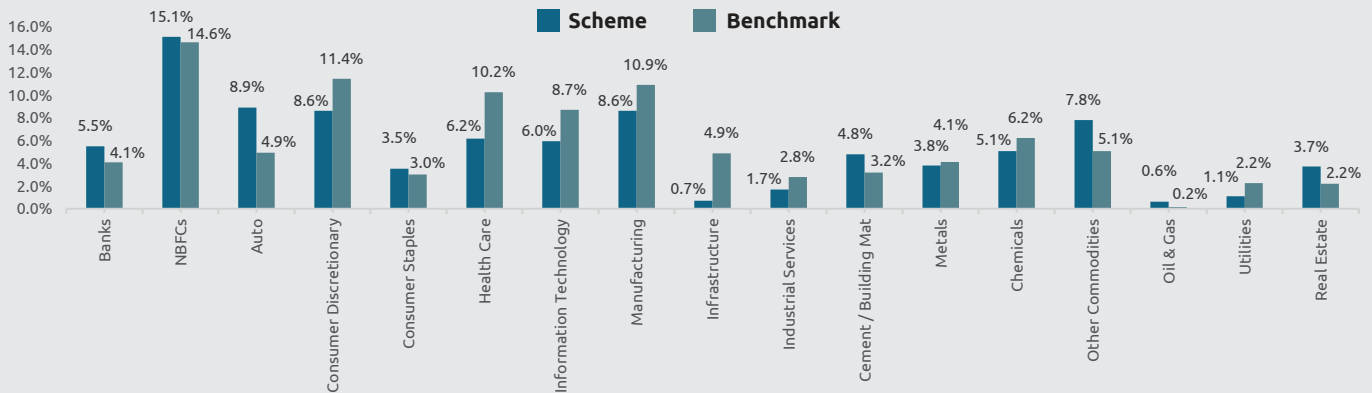
@Income Distribution cum capital withdrawal
Mr. Anoop Bhaskar was managing this Scheme till 27th January 2023.

The above mentioned is the current strategy of the Fund Manager. However, asset allocation and investment strategy shall be within broad parameters of Scheme Information Document.

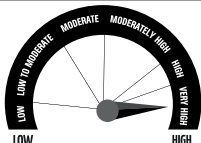
MUTUAL FUND INVESTMENTS ARE SUBJECT TO MARKET RISKS, READ ALL SCHEME RELATED DOCUMENTS CAREFULLY.

Name of the Instrument	% to NAV	Name of the Instrument	% to NAV
Equity and Equity related Instruments	93.42%	Vishnu Chemicals	0.83%
Finance	11.27%	NOCIL	0.70%
Power Finance Corporation	2.43%	PCBL	0.62%
Cholamandlam Financial Holdings	1.62%	Fine Organic Industries	0.44%
Ujivan Financial Services	1.44%	Cement & Cement Products	2.96%
REC	1.16%	JK Lakshmi Cement	1.31%
PNB Housing Finance	0.93%	Grasim Industries	1.21%
Mas Financial Services	0.81%	Nuvoco Vistas Corporation	0.44%
Manappuram Finance	0.71%	Healthcare Services	2.89%
IDFC	0.66%	Krishna Institute of Medical Sciences	0.91%
L&T Finance Holdings	0.55%	Yatharth Hospital And Trauma Care Services	0.75%
Piramal Enterprises	0.51%	Krsnaa Diagnostics	0.66%
Poonawalla Fincorp	0.35%	Narayana Hrudayalaya	0.57%
Rane Holdings	0.10%	Textiles & Apparels	2.82%
Industrial Products	8.72%	Arvind	1.50%
Shaily Engineering Plastics	2.42%	Nitin Spinners	1.33%
Carborundum Universal	1.29%	IT - Software	2.45%
Kirloskar Brothers	1.14%	Birlasoft	1.28%
Graphite India	0.96%	Zensar Technologies	1.17%
AIA Engineering	0.53%	Ferrous Metals	2.28%
Finolex Industries	0.52%	Kirloskar Ferrous Industries	1.12%
RHI Magnesita India	0.52%	Tata Metaliks	0.46%
R R Kabel	0.50%	Tata Steel	0.45%
Finolex Cables	0.41%	Jindal Stainless	0.25%
KEI Industries	0.27%	Leisure Services	2.04%
Sundaram Clayton	0.16%	Westlife Foodworld	1.07%
Auto Components	6.53%	Yatra Online	0.80%
Wheels India	1.71%	Taj GVK Hotels & Resorts	0.16%
Alicon Castalloy	1.12%	Food Products	1.82%
TVS Holdings	1.07%	Avanti Feeds	0.83%
Exide Industries	0.91%	Heritage Foods	0.83%
CIE Automotive India	0.59%	Mrs. Bectors Food Specialities	0.17%
Steel Strips Wheels	0.49%	IT - Services	1.79%
Amara Raja Batteries	0.42%	Cyient	1.29%
Lumax Auto Technologies	0.23%	Affle (India)	0.50%
Consumer Durables	5.80%	Commercial Services & Supplies	1.67%
Mayur Uniquoters	1.52%	eClrx Services	1.67%
Senco Gold	1.49%	Beverages	1.61%
Greenply Industries	0.84%	Radico Khaitan	1.61%
Kalyan Jewellers India	0.62%	Industrial Manufacturing	1.57%
Stove Kraft	0.60%	Syrma SGS Technology	1.57%
Kajaria Ceramics	0.44%	Agricultural Food & other Products	1.54%
Butterfly Gandhimathi Appliances	0.30%	Triveni Engineering & Industries	1.32%
Banks	5.52%	Balrampur Chini Mills	0.21%
Axis Bank	1.08%	Diversified	1.52%
DCB Bank	1.03%	Godrej Industries	0.92%
The Karnataka Bank	0.93%	DCM Shriram	0.60%
Bandhan Bank	0.93%	Retailing	1.36%
Equitas Small Finance Bank	0.68%	Aditya Birla Fashion and Retail	0.64%
RBL Bank	0.65%	V-Mart Retail	0.63%
The South Indian Bank	0.22%	Electronics Mart India	0.09%
Electrical Equipment	4.29%	Transport Services	1.20%
Apar Industries	1.32%	VRL Logistics	1.15%
Suzlon Energy	1.29%	Transport Corporation of India	0.05%
Hitachi Energy India	0.61%	Consumable Fuels	0.89%
Rishabh Instruments	0.57%	Coal India	0.89%
Inox Wind	0.50%	Non - Ferrous Metals	0.80%
Pharmaceuticals & Biotechnology	4.01%	National Aluminium Company	0.80%
Abbott India	0.96%	Construction	0.67%
FDC	0.95%	Kalpataru Projects International	0.67%
Suven Pharmaceuticals	0.58%	Gas	0.63%
JB Chemicals & Pharmaceuticals	0.48%	Gujarat State Petronet	0.63%
Gland Pharma	0.47%	Oil	0.63%
Piramal Pharma	0.37%	Oil India	0.63%
Concord Biotech	0.21%	Automobiles	0.53%
Capital Markets	3.91%	Landmark Cars	0.53%
ICICI Securities	1.17%	Petroleum Products	0.51%
Multi Commodity Exchange of India	1.04%	Gulf Oil Lubricants India	0.51%
Angel One	1.01%	Miscellaneous	0.49%
UTI Asset Management Company	0.69%	Updater Services	0.49%
Realty	3.72%	Power	0.48%
Kolte - Patil Developers	1.15%	NLC India	0.48%
Mahindra Lifespace Developers	1.02%	Household Products	0.47%
Keystone Realtors	0.84%	Jyothy Labs	0.47%
Sobha	0.71%	Cigarettes & Tobacco Products	0.44%
Chemicals & Petrochemicals	3.57%	Godfrey Phillips India	0.44%
Chemplast Sanmar	0.97%	Net Cash and Cash Equivalent	6.58%
		Grand Total	100.00%

SECTOR ALLOCATION



Scheme risk-o-meter



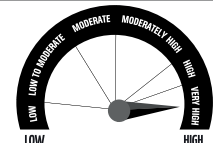
Investors understand that their principal will be at Very High risk

This product is suitable for investors who are seeking*

- To create wealth over long term.
- Investment in equity and equity related instrument of small cap companies.

*Investors should consult their financial advisers if in doubt about whether the product is suitable for them.

Benchmark risk-o-meter



S&P BSE 250 SmallCap TRI